

| Projects/Programs per development objective   | Planned performance & measurement target           | Key Performance Indicator  | Actual Performance Achieved  | Variance with planned performance   | Improvement plan where applicable   | Budget (R)     | Actual expenditure (R) |
|---|--|--|--|---|---|----------------|------------------------|
| Kokosi Ext. 2 Housing (200 units)<br><b>Project Nr: B04020001</b><br><b>Vote Nr: P10570</b>         | 100 Top Structures to be completed by 30 June 2009 | <ul style="list-style-type: none"> <li>Implementation phase</li> <li>Provision of 100 housing units</li> </ul> | <ul style="list-style-type: none"> <li>Implementation Phase</li> <li>26 Top Structures completed for 08/09 financial year</li> </ul>   | <ul style="list-style-type: none"> <li>26% variance under planned performance.</li> <li>Contractor cannot fulfill contractual obligation</li> </ul> | Revised cost structure approved. Appointed Contractor appointed to complete 20 approved units. Targeted beneficiary administration on 54 outstanding. | R1,290,000     | R220,038.80            |
| Kokosi Ext. 5 Housing Phase 1 (785 units)<br><b>Project Nr: B05070006</b><br><b>Vote Nr: P10573</b> | 500 Top structures to be completed by 30 June 2009 | <ul style="list-style-type: none"> <li>Implementation phase</li> <li>Provision of 500 housing units</li> </ul> | <ul style="list-style-type: none"> <li>Implementation Phase</li> <li>615 foundations completed</li> <li>607 wall plates</li> <li>539 roof heights</li> <li>519 completed top structures – occupied with happy letters</li> </ul> | None  | Not applicable  | R25,416,220.00 | R16,307,932.47         |
| Kokosi Ext. 5 Phase 2 (175 units)<br><b>Project Nr: B05070005</b><br><b>Vote Nr: P10574</b>         | 175 Top Structures to be completed by 30 June 2009 | <ul style="list-style-type: none"> <li>Implementation Phase</li> <li>Provision of 175 housing units</li> </ul> | <ul style="list-style-type: none"> <li>Implementation Phase</li> <li>Revised layout plan received end November 2008.</li> <li>75 foundations completed</li> <li>55 top structures completed</li> </ul>                           | Unforeseen delays experienced with revised lay-out plan   | Revised program to complete project within planned time frame   | R5,019,339.71  | R231,014.71            |

| Projects/Programs per development objective  | Planned performance & measurement target           | Key Performance Indicator  | Actual Performance Achieved  | Variance with planned performance  | Improvement plan where applicable                                   | Budget (R)    | Actual expenditure (R) |
|--|--|--|--|--|---|---------------|------------------------|
| Kokosi Ext 6<br>(2138 units)<br><b>Project Nr: B07100014</b><br><b>Vote Nr: P10579</b>       | 2138 stands to be serviced by 30 June 2009         | <ul style="list-style-type: none"> <li>Implementation Phase</li> <li>2138 stands serviced</li> </ul>           | <ul style="list-style-type: none"> <li>The following planning phases have been completed: <ul style="list-style-type: none"> <li>EIA, Geotech, Preliminary layout plan</li> <li>Services installation: Water: 70% completed Sewer: 65% completed</li> </ul> </li> </ul>    | Delay in the approval of the SG plan experienced. May result in negative cash flow due to unsettled claims from NWDLG &H | Program approved: Monitored by Consultant                           | R9,000,000.00 | R11,521,822.89         |
| Wedela Ext. Phase 2<br>(362 units)<br><b>Project Nr: B07010013</b><br><b>Vote Nr: P10572</b> | 179 Top structures to be completed by 30 June 2009 | <ul style="list-style-type: none"> <li>Implementation Phase</li> <li>Provision of 179 housing units</li> </ul> | <ul style="list-style-type: none"> <li>Implementation Phase</li> <li>74 top structures completed</li> </ul>  |  | Consultant instructed to speed up delivery of contractors           | R3,000,000.00 | R3,873,790.07          |
| Wedela 89 DDIS<br>(89 units)<br><b>Project Nr: B05090002</b><br><b>Vote Nr: P10576</b>       | 8 Top structures to be completed by 30 June 2009   | <ul style="list-style-type: none"> <li>Implementation phase</li> <li>Provision of 8 housing units</li> </ul>   | <ul style="list-style-type: none"> <li>Implementation Phase</li> <li>Contractor on site</li> </ul>   | Serious delays experienced with beneficiary administration, applicants failing deed searches.                            | Overriding of the beneficiary administration system of Province     | R319,290.00   | R18,636.82             |
| Greenspark Ext 1<br>(340 units)<br><b>Project Nr: B05070004</b><br><b>Vote Nr: P10578</b>    | 180 stands to be serviced by 30 June 2009          | <ul style="list-style-type: none"> <li>Implementation phase</li> <li>180 stands serviced</li> </ul>            | <ul style="list-style-type: none"> <li>Implementation Phase</li> <li>The following planning phase have been completed: <ul style="list-style-type: none"> <li>EIA, Geotech, Preliminary layout plan</li> <li>Contractor appointed – not yet on site</li> </ul> </li> </ul> | Planned performance to be adjusted to servicing of stands  | Will depend on construction program of contractor after appointment | R4,412,860.00 | R667,317.26            |

| Projects/Programs per development objective                              | Planned performance & measurement target   | Key Performance Indicator   | Actual Performance Achieved  | Variance with planned performance          | Improvement plan where applicable   | Budget (R)  | Actual expenditure (R) |
|--|--|---|--|--|---|---|------------------------|
| Kokosi Ext. 1 & 3 (53 Units)<br>Project Nr: B96040010<br>Vote Nr: P10551 | 10 Top structures to be completed by 30 June 2009  | Project closure to complete the project   | <ul style="list-style-type: none"> <li>Targeted beneficiary administration to resolve outstanding approvals</li> <li>10 Approvals received</li> <li>Conveyancing – 14 properties registered</li> <li>4 Top Structures Completed</li> </ul> | 60%  | <ul style="list-style-type: none"> <li>Targeted beneficiary administration</li> <li>Revised cost breakdown to include escalation</li> <li>Revise construction program for newly approved subsidies</li> </ul> | R0<br>Roll over Project-Not budgeted for 08/09.<br>Sufficient funds on the project available. | R2,200,433.98          |
| Greenspark Ext. (138 units)<br>Project Nr: B04020005<br>Vote Nr: P10553  | <ul style="list-style-type: none"> <li>Project planned to be closed 07/08.</li> <li>Not originally planned for 08/09.</li> </ul> | <ul style="list-style-type: none"> <li>Implementation phase</li> <li>Construction of top structures</li> <li>Project closure to complete the project</li> </ul> | <ul style="list-style-type: none"> <li>Implementation Phase</li> <li>42 Top Structures completed</li> </ul>  | Completion of project 08/09 financial year | Remaining 8 top structures to be completed in accordance with revised program.  | R0<br>Roll over Project-Not budgeted for 08/09.<br>Sufficient funds on project available.     | R163,119.34            |
| Blybank (563 units)<br>Project Nr: G9803315<br>Vote Nr: P10665           | <ul style="list-style-type: none"> <li>Project planned to be closed 07/08</li> <li>Not originally planned for 08/09</li> </ul>   | Project closure to complete the project   | <ul style="list-style-type: none"> <li>36 Top structures completed</li> </ul>  |  | Project to be closed off.   | R0<br>Roll over project-Not budgeted for 08/09.<br>Sufficient funds on the project available. | R836,679.00            |

# KPA 1: INFRASTRUCTURE DEVELOPMENT AND SERVICE DELIVERY

## WATER AND SANITATION

| Projects/Programs per development objective      | Planned performance & measurement target                            | Key Performance Indicator      | Actual Performance Achieved | Variance with planned performance                       | Improvement plan where applicable | Budget (R)   | Actual expenditure (R) |
|--|---|--------------------------------|-----------------------------|---|-----------------------------------|--|------------------------|
| Replacement Old Meters with prepaid water meters | 30 June 2009  | Prepaid water meters installed | 0%                          | Project on hold due to court case of Johannesburg Water | None                              | R2,000,000   | R0                     |
| C/ville Ext 9 Bulk Pipeline                      | 30 June 2009  | Bulk pipeline installed        | 10%                         | None  | Quotation phase                   | R400,000   | Roll over 09/10        |
| Replacement of Blybank Reticulation              | 30 June 2009  | Blybank reticulation replaced  | 10%                         | None  | None                              | R500,000   | R50,186.48             |
| Ground water investigation                       | 30 June 2009  | Ground water investigation     | Project frozen              | N/A   | N/A                               | R180,000   | R0                     |
| Water borne toilets X99 (roll over project)      | Project planned to be completed 07/08. Not originally planned 08/09 | Waterborne toilets X99         | Project implementation      | 100%  | Revised program                   | Roll over project. Not budgeted for 08/09. Sufficient funds on project available | R282,626               |
| Sanitation Rural Phase 2 (Roll over project)     | Project planned to be completed 07/08. Not originally planned 08/09 | Sanitation Rural Phase 2       | Project implementation      | 100%  | Revised program                   | Roll over project. Not budgeted for 08/09. Sufficient funds on project available | R5,407.90              |



| Projects/Programs per development objective       | Planned performance & measurement target                            | Key Performance Indicator | Actual Performance Achieved                | Variance with planned performance | Improvement plan where applicable                      | Budget (R)   | Actual expenditure (R) |
|---|---|---------------------------|--|-----------------------------------|--|--|------------------------|
| Water Loss Management (Roll over project)         | Project planned to be completed 07/08. Not originally planned 08/09 | Reduction in Water Loss   | Business plan for MIG funding not approved | 100%                              | Application for funding through business plan in 09/10 | R0<br>No MIG funding approved for budget   | R262,855.25            |
| Kokosi X99 Bucket Eradication (Roll over project) | Project planned to be completed 07/08. Not originally planned 08/09 | Bucket eradication        | Project implementation                     | 100%                              | Revised program  | R0<br>Roll over project. Not budgeted for 08/09. Sufficient funds on project available | R212,867.20            |

#### WATER AND SANITATION – WATER CARE WORKS

| Projects/Programs per development objective | Planned performance & measurement target | Key Performance Indicator | Actual Performance Achieved | Variance with planned performance | Improvement plan where applicable | Budget (R)  | Actual expenditure (R) |
|---|--|---------------------------|-----------------------------|-----------------------------------|-----------------------------------|-------------|------------------------|
| Khutsong WwP (692)                          | 30 June 2009                             | WwP provided              | 98%                         | None                              | None                              | R9,045,000  | R7,864,004.82          |
| Kokosi WwP (682)                            | 30 June 2009                             | WwP provided              | 85%                         | None                              | None                              | R14,045,101 | R13,958,154.99         |

## CIVIL ENGINEERING – ROADS AND STORMWATER

| Projects/Programs per development objective      | Planned performance & measurement target | Key Performance Indicator | Actual Performance Achieved                                    | Variance with planned performance | Improvement plan where applicable | Budget (R) | Actual expenditure (R) |
|--|--|---------------------------|--|-----------------------------------|-----------------------------------|------------|------------------------|
| Greenspark access road (Roll over project) (648) | 30 June 2009                             | Access roads built        | Project completed. Awaiting retention period of six (6) months | Project on schedule               | N/A                               | R2,495,448 | R2,435,068.11          |

## CIVIL ENGINEERING – PUBLIC WORKS

| Projects/Programs per development objective | Planned performance & measurement target | Key Performance Indicator     | Actual Performance Achieved                             | Variance with planned performance | Improvement plan where applicable | Budget (R) | Actual expenditure (R) |
|---|--|-------------------------------|---|-----------------------------------|-----------------------------------|------------|------------------------|
| Construction of lifts (head quarters)       | 30 June 2009                             | Lifts constructed             | Tender closed on 24/04/09. Awaiting tender adjudication | N/A                               | Revised program                   | R650,000   | R0                     |
| Office accommodation                        | 30 June 2009                             | Office accommodation provided | Completed   | N/A                               | N/A                               | R285,000   | R165,660.25            |

| INFRASTRUCTURE SERVICES                     |  |                             |                                    |                                       |                                   |             |                        |
|---|--|-----------------------------|------------------------------------|---------------------------------------|-----------------------------------|-------------|------------------------|
| ELECTRICAL ENGINEERING                      |  |                             |                                    |                                       |                                   |             |                        |
| Projects/Programs per development objective | Planned performance & measurement target | Key Performance Indicator   | Actual Performance Achieved        | Variance with planned performance     | Improvement plan where applicable | Budget (R)  | Actual expenditure (R) |
| Bulk supply C/ville (537)                   | 30 June 2009                             | Bulk electricity supplied   | Design stage                       | Contractor to be appointed March 2009 | N/A                               | R10,000,000 | R1,342,802.30          |
| Bulk supply F/ville (538)                   | 30 June 2008                             | Bulk electricity supplied   | 35% - Construction stage           | N/A                                   | N/A                               | R20,000,000 | R19,692,928.67         |
| Standby generator – Head Office             | 30 June 2009                             | Standby generator installed | 15% - Awaiting tender adjudication | 85%                                   | Tender adjudication               | R800,000    | R0                     |

| HEALTH AND ENVIRONMENT SERVICES – WASTE MANAGEMENT  |   |  |                             |                                   |   |  |                        |
|---|---|--|-----------------------------|-----------------------------------|---|--|------------------------|
| Projects/Programs per development objective   | Planned performance & measurement target                            | Key Performance Indicator                                    | Actual Performance Achieved | Variance with planned performance | Improvement plan where applicable                   | Budget (R)   | Actual expenditure (R) |
| (b) Construction of transfer station (ph 2) Fochville Projects (a) & (b) are known as Fochville landfill site (one project) | 30 June 2009  | Landfill site rehabilitated and transfer station constructed | 0%                          | 100%                              | Applied for closure and environmental authorization | R 5 873 291, 00  | R16,500.00             |
| (c) Construction of drop-off centre – Wedela (Roll over project)  | 30 June 2009  | Drop-off centre constructed                                  | 0%                          | 100%                              | Tender re-advertisement                             | R570,000   | R0                     |
| Rooipoort Landfill site   | Project planned to be completed 07/08. Not originally planned 08/09 | Rooipoort landfill site cell development                     | Planning phase completed    | 100%                              | Revised program                                     | R0<br>Roll over project. Not budgeted for 08/09. Sufficient funds on project available | R830,326.88            |

# PARKS & CEMETERIES

| Projects/Programs per development objective      | Planned performance & measurement target | Key Performance Indicator        | Actual Performance Achieved | Variance with planned performance | Improvement plan where applicable | Budget (R)    | Actual expenditure (R) |
|--|--|----------------------------------|-----------------------------|-----------------------------------|-----------------------------------|---------------|------------------------|
| Nursery Ablution                                 | 30 June 2009<br>Project to be completed  | Nursery ablution provided        | 100%                        | N/A                               | N/A                               | R250,000.00   | R200,000.00            |
| Nursery Hot House                                | 30 June 2009                             | Nursery Hot House provided       | 95%                         | 5%                                | Contractor on site                | R420,000.00   | R15,000.00             |
| Fencing West Wits Cemetery                       | 30 June 2009                             | Cemetery fencing provided        | 50%                         | 50%                               | Project to be motivated by PMU    | R1,500,000.00 | R750,000.00            |
| Upgrading Wedela Cemetery<br><b>P679</b>         | 30 June 2009                             | Wedela Cemetery upgraded         | 80%                         | 20%                               | Construction in process EPWP      | R413,590.00   | R291,400.55            |
| Khutsong South Cemetery<br>(Phase 2) <b>P645</b> | 30 June 2009<br>Project to be completed  | Khutsong South Cemetery extended | 100%                        | N/A                               | N/A                               | R1,279,070.00 | R900,807.90            |



**SPORT, RECREATION, ARTS & CULTURE, HERITAGE & LIBRARIES**

| <b>Projects/Programs per development objective</b>               | <b>Planned performance &amp; measurement target</b> | <b>Key Performance Indicator</b> | <b>Actual Performance Achieved</b> | <b>Variance with planned performance</b> | <b>Improvement plan where applicable</b>                      | <b>Budget (R)</b> | <b>Actual expenditure (R)</b> |
|--|---|----------------------------------|------------------------------------|--|---|-------------------|-------------------------------|
| Batswaneng Stadium/<br>Khutsong South (Roll over)<br><b>P600</b> | 30 June 2009  | Stadium built                    | 80%                                | 20%                                      | Top up of R1,500,000 has been allocated from insurance payout | R1,588,442        | R1,025,064.82                 |
| Upgrading Welverdiend Sport Facilities                           | 30 June 2009<br>Appointment of service provider     | Sports field upgraded            | 0%                                 | 100%                                     | Quotes invited  | R220,000          | R0                            |
| Khutsong Library <b>P608</b>                                     | 30 June 2009<br>Appointment of Contractor           | Khutsong Library re-built        | 10%                                | 90%                                      | N/A   | R1,000,000        | R442,894.74                   |
| Greenspark Library <b>P610</b>                                   | 30 June 2009<br>Appointment of Contractor           | Greenspark Library built         | 10%                                | 90%                                      | N/A   | R1,000,000        | R0                            |
| Blybank Library <b>P609</b>                                      | 30 June 2009<br>Appointment of Contractor           | Blybank Library built            | 10%                                | 90%                                      | N/A   | R1,000,000        | R1,768                        |

| Projects/Programs per development objective               | Planned performance & measurement target                            | Key Performance Indicator             | Actual Performance Achieved | Variance with planned performance | Improvement plan where applicable | Budget (R)   | Actual expenditure (R) |
|---|---|---------------------------------------|-----------------------------|-----------------------------------|-----------------------------------|--|------------------------|
| Carletonville Sport Complex (Phase 2) (roll over project) | Project planned to be completed 07/08. Not originally planned 08/09 | Carletonville Sport Complex (Phase 2) | Project implementation      | 100%                              | Revised program                   | R0<br>Roll over project. Not budgeted for 08/09. Sufficient funds on project | R623,310.32            |

## TOWN PLANNING

| Projects/Programs per development objective | Planned performance & measurement target | Key Performance Indicator | Actual Performance Achieved      | Variance with planned performance    | Improvement plan where applicable | Budget (R) | Actual expenditure (R) |
|---|--|---------------------------|----------------------------------|--------------------------------------|-----------------------------------|------------|------------------------|
| Welverdiend & Other areas - Geotech         | 30 June 2009                             | Geotech studies           | Study completed – September 2008 | Project completed before target date | N/A                               | R1,000,000 | R927,810.66            |

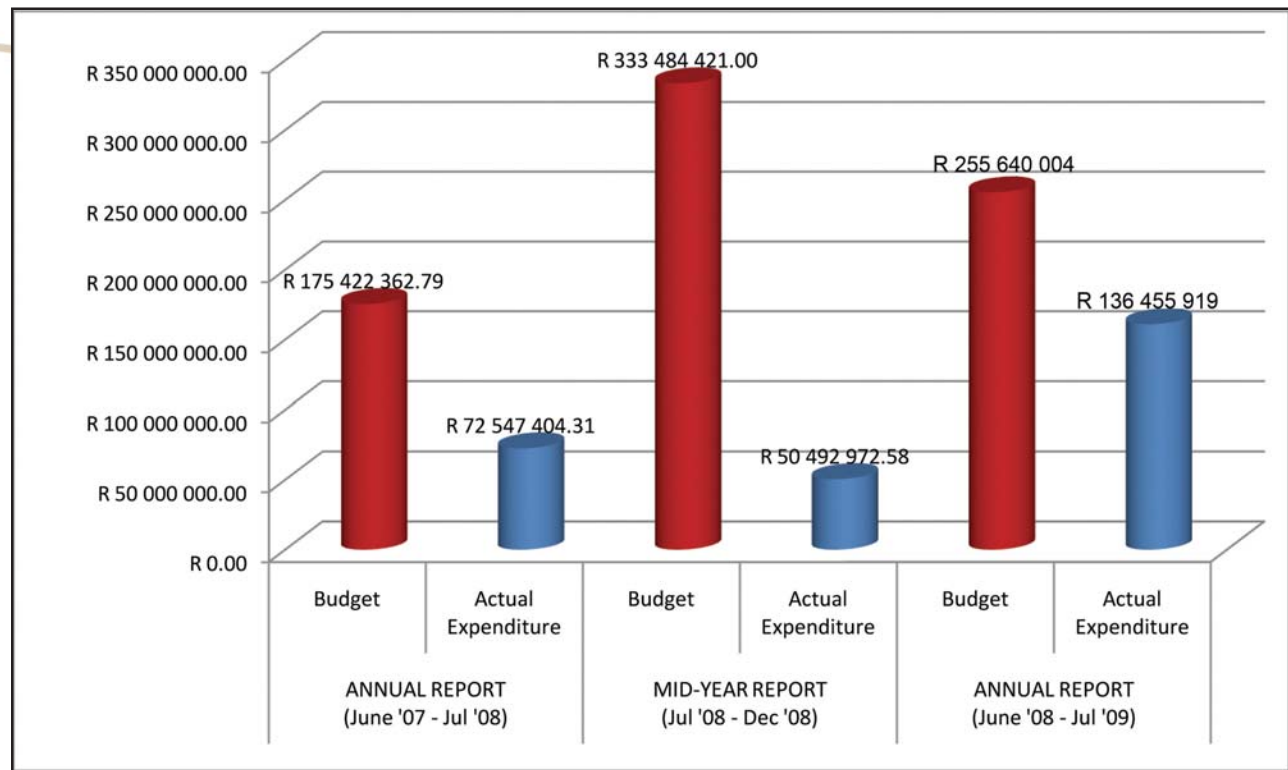
| KPA 2: LOCAL ECONOMIC DEVELOPMENT             |  |                                    |                             |                                   |   |             |                        |
|---|--|------------------------------------|-----------------------------|-----------------------------------|---|-------------|------------------------|
| LOCAL ECONOMIC DEVELOPMENT                    |  |                                    |                             |                                   |   |             |                        |
| Projects/Programs per development objective   | Planned performance & measurement target | Key Performance Indicator          | Actual Performance Achieved | Variance with planned performance | Improvement plan where applicable                             | Budget (R)  | Actual expenditure (R) |
| Informal Trade facilities (roll over project) | 30 June 2009                             | Informal trade facilities provided | 100%                        | N/A                               |   | R500,650.00 | R262,850.48            |
| Feasibility studies (roll over project)       | 30 June 2009                             | Feasibility study undertaken       | 100%                        | N/A                               |   | R288,816    | R288,815.79            |
| Concor Business Hive                          | 30 June 2009                             | Concor business hive provided      | 0%                          |                                   | Maintenance budget in the 09/10 financial year to be utilized | R500,000    | R0                     |

| KPA3: FINANCE                               |  |  |  |   |  |   |                        |
|---|--|--|--|---|--|---|------------------------|
| RE-BUILD KOKOSI PAY POINTS                  |  |  |  |   |  |   |                        |
| Projects/Programs per development objective | Planned performance & measurement target | Key Performance Indicator                    | Actual Performance Achieved                    | Variance with planned performance                           | Improvement plan where applicable            | Budget (R)  | Actual expenditure (R) |
| Kokosi                                      | 30 June 2009                             | Re-building of burned down Kokosi Pay points | Still awaiting finalization of Insurance Claim | 100%<br>(No movement – claim not yet finalized by insurers) | Weekly follow-ups with insurance by Treasury | R921,053 (total cost to damages on schedule = R1,607,108) | R0                     |

| TOTAL CAPITAL EXPENDITURE   |                       |                       |                        |
|---|-----------------------|-----------------------|------------------------|
| SECTION   | 2007/2008             | MID-YEAR<br>2008/2009 | 2008/2009              |
| Housing   | R21,657,872.45        | R28,147,682.75        | R107,147,970.64        |
| Water and Sanitation  | R7,135,477.15         | R151,902.73           | R813,942.83            |
| Water and Sanitation (Water Care Works)                                 | R20,293,701.65        | R9,034,284.02         | R21,822,159.81         |
| Civil Engineering (Roads and Storm Water)                               | R1,685,583.67         | R2,427,316.11         | R2,435,068.11          |
| Civil Engineering (Public Works)  | R257,823.29           | R35,589.66            | R165,660.25            |
| Electrical Engineering  | R12,413,820.57        | R7,799,201.58         | R21,035,730.97         |
| Waste Management  | R394,821.34           | R16,500.00            | R1,892,495.32          |
| Health and Environment (Home Based Care Centres,<br>Shelters & Support) | R90,789.30            | R0                    | R0                     |
| Parks and Cemeteries  | R149,250.00           | R30,574.84            | R2,157,208.45          |
| Sport Recreation, Arts & Culture, Heritage & Libraries                  | R8,041,664.93         | R1,404,249.89         | R2,093,037.88          |
| Town Planning   | R0                    | R0                    | R927,810.66            |
| Local Economic Development  | R426,602.96           | R1,445,671.00         | R551,666.27            |
| <b>TOTAL</b>  | <b>R72,547,407.31</b> | <b>R50,492,972.58</b> | <b>R161,042,751.20</b> |



## BUDGET VS EXPENDITURE



**YEAR ENDING:** June 2009

**NAME OF MUNICIPALITY:** Merafong City Local Municipality

**PERFORMANCE ON NATIONAL GENERAL KPI's IDENTIFIED IN THE IDP**

| Key Performance Indicator  | Name Projects per Development Objective                        | Planned Performance and Measurable Target                   | Actual Performance Achieved (2007/2008) | Actual Performance Achieved (2008/2009)   | Variance with Planned Performance                    |
|--|--|---|---|---|--|
| The percentage of households with access to <b>basic level of services</b>                         | Basic level of service   | 100% access to basic level of services                      |   |   |  |
| Water  | Water  | 100%  | 100%                                    | 100% Proclaimed areas 6,02% Informal and rural areas  | None   |
| Sanitation   | Sanitation   | 100%  | 97%                                     | 97% Proclaimed areas 6,02% Informal and rural areas   | 3%   |
| Electricity  | Electricity  | 100% to formalized household                                |   | 97%   | 3%   |
| Sold waste removal   | Solid waste removal  | 100%  | 95,3%                                   | 100%  |  |
| The percentage of households earning less than R1 500 per month with access to free basic services | - Indigent free basic services<br>- Formal indigent households | 100% free basic services to registered & verified Indigents |   | 4838 receiving subsidy allocations (figure changes as per indigent verification & regular update) | New applications / De-registrations on verifications |
| Water  | Water  | 100%  | 100%                                    | 100% of formalized areas  |  |
| Sanitation   | Sanitation   | 100%  | 100% (only to formalized households)    | 100% of formalized areas  |  |
| Electricity  | Electricity  | 100%  | 100% (only to formalized households)    | 100% of formalized areas  |  |
| Sold waste removal   | Solid waste removal  | 100%  | 86%                                     | 100% of formalized areas  |  |

### KPA 3: FINANCIAL VIABILITY & MANAGEMENT

#### FINANCE

| Financial Viability  | Budget                 | Planned      | Actual         | 2007/2008 | Actual         | 2008/2009  | Variance       |
|--|------------------------|--------------|----------------|-----------|----------------|--|----------------|
| The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan | Capex<br>R 225 640 004 | 100%         |                |           | R 136 735 919  | Council converted housing projects to GRAP 17. This has resulted in that project expenditure to the value of R35 Million was transferred to operating expenditure. The budget cannot be transferred. | 53,49%         |
| FINANCIAL VIABILITY  |                        |              |                |           |                |  |                |
| 1. Bank Balances   | -R5 000 000            | -R5 000 000  | R14,677,461    |           | R115 865 252   |  | +R120 865 252  |
| 2. Investments   | R50 000 000            | R50 000 000  | R52,025,742    |           | R201 940 374   |  | +R150 940 374  |
| 3. Outstanding debtors to revenue  | 635 days               | 635 days     | 435 days       |           | 674 days       |  | -39 days       |
| 4. Creditor payments   | 30 days                | 30 days      | 30 days        |           | 30 days        |  | -              |
| 5. Credit rating   | Not rated              | Not planned  | Not applicable |           | Not applicable |  | Not applicable |
| 6. External loans  | R118 833 780           | R118 833 780 | R117,003,881   |           | R117 298 157   |  | +R1 535 623    |
| 7. Aggregate of bad debts  | R296 497 983           | R296 497 983 | R237,531,958   |           | R304 703 088   |  | -R8 205 105    |
| 8. Improvement of debt coverage  | As budgeted            | As planned   | As planned     |           | As planned     |  |                |
| 9. Reduction of outstanding service debtors  | + 16%                  | + 16%        | N/A            |           | + 17.74%       |  | -1.74%         |
| 10. Improvement of cost coverage   | Not applicable         |              | N/A            |           |                |  |                |

| LOCAL ECONOMIC DEVELOPMENT  |              |                          |                    |    |
|---|--------------|--------------------------|--------------------|----|
| Number of jobs created through municipality's local economic development initiatives including capital projects | Job creation | Jobs to be created - 583 | Jobs created - 552 | 31 |
| - Short term employment   | 400          |                          |                    |    |
| - Long term employment  | 183          |                          |                    |    |

| KPA 4: MUNICIPAL TRANSFORMATION & ORGANISATIONAL DEVELOPMENT   |  |                                    |  |                                   |                                   |            |
|--|--|------------------------------------|--|-----------------------------------|-----------------------------------|------------|
| HUMAN RESOURCES  |  |                                    |  |                                   |                                   |            |
| Projects/Programs per development objective  | Planned performance & measurement target | Key Performance Indicator          | Actual Performance Achieved  | Variance with planned performance | Improvement plan where applicable | Budget (R) |
| The number of people from employment equity targets groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan. | Equity Employment                        | Equity Employment                  | 13 Black males<br>14 white males<br>1 Indian male<br>3 black females<br>1 white female<br>Total 32 | N/A                               | N/A                               |            |
| The percentage of a municipality's budget actually spent on implementing its workplace skills plan.  | 4 People attending traffic officer       | 4 people attending traffic officer | 4 people trained   | None                              | N/A                               |            |
| Skills development   |  |                                    |  |                                   |                                   |            |



| Projects/Programs per development objective   | Planned performance & measurement target                    | Key Performance Indicator                                   | Actual Performance Achieved | Variance with planned performance | Improvement plan where applicable | Budget (R)     | Actual expenditure (R) |
|---|---|---|-----------------------------|-----------------------------------|-----------------------------------|----------------|------------------------|
| The percentage of a municipality's budget actually spent on implementing its workplace skills plan.<br>• Skills development | 15 People attending Intro to Occupational Health & Safety   | People attending Intro to Occupational Health & Safety      | 15 people trained           | None                              | N/A                               | R20 520.00     | R20 520.00             |
| The percentage of a municipality's budget actually spent on implementing its workplace skills plan.<br>• Skills development | 15 People attending Hazard Identification & Risk Assessment | 15 People attending Hazard Identification & Risk Assessment | 15 people trained           | None                              | N/A                               | R23 940.00     | R23 940.00             |
| The percentage of a municipality's budget actually spent on implementing its workplace skills plan.<br>• Skills development | 15 People attending Advanced Occupational Health & Safety   | 15 People attending Advanced Occupational Health & Safety   | 15 people trained           | None                              | N/A                               | R22 230.00     | R22 230.00             |
| The percentage of a municipality's budget actually spent on implementing its workplace skills plan.<br>• Skills development | 2 People attending Record Management                        | 2 People attending Record Management                        | 2 people trained            | None                              | N/A                               | R11390.72      | R11390.72              |
| The percentage of a municipality's budget actually spent on implementing its workplace skills plan.<br>• Skills development | 5 People attending LED                                      | 5 People attending LED                                      | 5 People trained            | None                              | N/A                               | Funded by DBSA | Funded by DBSA         |

| Projects/Programs per development objective   | Planned performance & measurement target        | Key Performance Indicator                       | Actual Performance Achieved | Variance with planned performance | Improvement plan where applicable | Budget (R)     | Actual expenditure (R) |
|---|---|---|-----------------------------|-----------------------------------|-----------------------------------|----------------|------------------------|
| The percentage of a municipality's budget actually spent on implementing its workplace skills plan.<br>• Skills development | 5 People attending Policy Making                | 5 People attending Policy Making                | 5 trained                   | None                              | N/A                               | Funded by DBSA | Funded by DBSA         |
| The percentage of a municipality's budget actually spent on implementing its workplace skills plan.<br>• Skills development | 10 People attending Intro to Project Management | 10 People attending Intro to Project Management | 10 trained                  | None                              | N/A                               | Funded by DBSA | Funded by DBSA         |
| The percentage of a municipality's budget actually spent on implementing its workplace skills plan.<br>• Skills development | 6 People attending HR Management                | 6 People attending HR Management                | 6 people trained            | None                              | N/A                               | R25 200.00     | R25 200.00             |
| The percentage of a municipality's budget actually spent on implementing its workplace skills plan.<br>• Skills development | 6 People attending Local Performance Management | 6 attended Performance management               | 6 people trained            | None                              | N/A                               | R 16900.00     | R16900.00              |
| The percentage of a municipality's budget actually spent on implementing its workplace skills plan.<br>• Skills development | 4 People attending Intro Project Management     | 4 attended Intro Project Management             | 4 People trained            | None                              | N/A                               | Funded by DBSA | Funded by DBSA         |

| Projects/Programs per development objective   | Planned performance & measurement target       | Key Performance Indicator              | Actual Performance Achieved | Variance with planned performance | Improvement plan where applicable | Budget (R)     | Actual expenditure (R) |
|---|--|--|-----------------------------|-----------------------------------|-----------------------------------|----------------|------------------------|
| The percentage of a municipality's budget actually spent on implementing its workplace skills plan.<br>• Skills development | 4 People attending Advanced Project Management | 4 attended Advanced Project Management | 4 People trained            | None                              | N/A                               | Funded by DBSA | Funded by DBSA         |
| The percentage of a municipality's budget actually spent on implementing its workplace skills plan.<br>• Skills development | 8 people CS3 Course Photo Shop1                | 8 people CS3 Course Photo Shop 1       | 8 trained                   | none                              | N/A                               | R33,550.00     | R33,550.00             |
| The percentage of a municipality's budget actually spent on implementing its workplace skills plan.<br>• Skills development | 8 people CS3 Course Photo Shop2                | 8 people CS3 Course                    | 8 trained                   | none                              | N/A                               | R33,550.00     | R33,550.00             |
| The percentage of a municipality's budget actually spent on implementing its workplace skills plan.<br>• Skills development | 8 people CS3 Course Illustrated                | 8 people CS3 Course                    | 8 trained                   | none                              | N/A                               | R33,550.00     | R33,550.00             |
| The percentage of a municipality's budget actually spent on implementing its workplace skills plan.<br>• Skills development | 8 people CS3 Course In design course           | 8 people CS3 Course                    | 8 trained                   | none                              | N/A                               | R33,550.00     | R33,550.00             |

| Projects/Programs per development objective   | Planned performance & measurement target                    | Key Performance Indicator                  | Actual Performance Achieved | Variance with planned performance | Improvement plan where applicable   | Budget (R) | Actual expenditure (R) |
|---|---|--|-----------------------------|-----------------------------------|---|------------|------------------------|
| The percentage of a municipality's budget actually spent on implementing its workplace skills plan.<br>• Skills development | 4 people attended Water and Treatment training              | 4 people attended Water treatment training | 4 trained                   | none                              | N/A   | R15,561.00 | R15,561.00             |
| The percentage of a municipality's budget actually spent on implementing its workplace skills plan.<br>• Skills development | 4 People attending Local Transformation Management          | 4 attended Transformation Management       | 4 Trained                   | none                              | N/A   | R16,900    | R16,900                |
| The percentage of a municipality's budget actually spent on implementing its workplace skills plan.<br>• Skills development | 15 people attending report writing training                 | 15 people attended report writing training | 15 trained                  | none                              | N/A   | R24,750.00 | R24,750.00             |
| The percentage of a municipality's budget actually spent on implementing its workplace skills plan.<br>• Skills development | 15 people attended minute taking course                     | 14 attended minute taking course           | 14 trained                  | 1                                 | To make sure all the people are available for the date scheduled for training | R24,750.00 | R24,750.00             |
| The percentage of a municipality's budget actually spent on implementing its workplace skills plan.<br>• Skills development | 19 People attending Train the Trainer                       | 19 people attended Train the Trainer       | 19 trained                  | 1                                 | To make sure all the people are available for the date scheduled for training | R34,200.00 | R34,200.00             |
| The percentage of a municipality's budget actually spent on implementing its workplace skills plan.<br>• Skills development | 2 People attending Conducting an audit from cradle to grave | 2 Attended                                 | 2 trained                   | None                              | N/A   | R7,600     | R7,600                 |



| Projects/Programs per development objective   | Planned performance & measurement target                | Key Performance Indicator                 | Actual Performance Achieved              | Variance with planned performance             | Improvement plan where applicable   | Budget (R)                               | Actual expenditure (R)                   |
|---|---|---|--|---|---|--|--|
| The percentage of a municipality's budget actually spent on implementing its workplace skills plan.<br>• Skills development | 3 People attended Effective Report Writing              | 3 Attended                                | 3 Trained                                | None  | N/A   | R9,000                                   | R9,000                                   |
| The percentage of a municipality's budget actually spent on implementing its workplace skills plan.<br>• Skills development | 2 People attended Audit for non auditors                | 2 people attended                         | 2 People trained                         | None  | N/A   | R8,640                                   | R8,640                                   |
| The percentage of a municipality's budget actually spent on implementing its workplace skills plan.<br>• Skills development | 20 People to attend Fire Arm Training                   | 20 People attended fire arm training      | 20 Trained in fire arm training          | None  | N/A   | R23,894.40                               | R23 894.40                               |
| The percentage of a municipality's budget actually spent on implementing its workplace skills plan.<br>• Skills development | 4 People to attend IDP Training                         | 4 People attended                         | 4 People trained in IDP                  | None  | NA  | R16,000.00                               | R16,000.00                               |
| The percentage of a municipality's budget actually spent on implementing its workplace skills plan.<br>• Skills development | 20 people to attend customer care training              | 20 people attended customer care training | 15 people trained in customer care       | 5 people didn't attend                        | To make sure that the Managers/Supervisors release people for the training. | Funded by DBSA                           | Funded by DBSA                           |
| The percentage of a municipality's budget actually spent on implementing its workplace skills plan.<br>• Skills development | 6 People to attend Protocol & Etiquette training        | 6 People attended Protocol & Etiquette    | 6 People attended Protocol and Etiquette | None  | N/A   | Funded by Southern District Municipality | Funded by Southern District Municipality |
| The percentage of a municipality's budget actually spent on implementing its workplace skills plan.<br>• Skills development | 80 people were suppose to attend customer care training | 80 people attended customer care training | 73 people trained in customer care       | 7 people didn't attend customer care training | To make sure that the Managers/Supervisors release people for the training. | Funded by DBSA                           | Funded by DBSA                           |

| Projects/Programs per development objective   | Planned performance & measurement target  | Key Performance Indicator  | Actual Performance Achieved            | Variance with planned performance                   | Improvement plan where applicable   | Budget (R)     | Actual expenditure (R) |
|---|---|--|--|---|---|----------------|------------------------|
| The percentage of a municipality's budget actually spent on implementing its workplace skills plan.<br>• Skills development | 4 People were suppose to attend Project Management                                  | 4 people attended project management training                              | 4 people trained in project management | None  | N/A   | R16,900        | R16,900                |
| The percentage of a municipality's budget actually spent on implementing its workplace skills plan.<br>• Skills development | 40 People were suppose to attend the customer care training                         | 40 attended customer care training   | 20 people trained in customer care     | 20 people didn't attend the customer care training  | To make sure that the Managers / Supervisors release people for the training. To ensure communication flow.   | Funded by DBSA | Funded by DBSA         |
| The percentage of a municipality's budget actually spent on implementing its workplace skills plan.<br>• Skills development | 4 People were suppose to attend the Certificate in Municipal Governance training    | 4 attended Training in Certificate in Municipal Governance                 | 4 People trained                       | None  | N/A   | R56,000        | R56,000                |
| The percentage of a municipality's budget actually spent on implementing its workplace skills plan.<br>• Skills development | 3 People were suppose to attend Executive Leadership Development Management Program | 3 Attended training in Executive Leadership Development Management Program | 3 People were trained                  | none  | N/A   | R45,000        | R45,000                |
| The percentage of a municipality's budget actually spent on implementing its workplace skills plan.<br>• Skills development | Training Committee (10) were suppose to attend Basic Policy Principle               | 12 Attended training   | 12 People were trained                 | Only 3 Training Committee Members attended Training | To make sure that all the trainings are co-ordinate from Skills Development and Training Office. To make sure that the relevant people are available to attend scheduled trainings. | Funded by DBSA | Funded by DBSA         |

| Projects/Programs per development objective   | Planned performance & measurement target | Key Performance Indicator          | Actual Performance Achieved | Variance with planned performance | Improvement plan where applicable | Budget (R) | Actual expenditure (R) |
|---|--|------------------------------------|-----------------------------|-----------------------------------|-----------------------------------|------------|------------------------|
| The percentage of a municipality's budget actually spent on implementing its workplace skills plan.<br>• Skills development | 3 People to attend Payroll Training      | 3 People attended Payroll Training | 3 People were trained       | None                              | N/A                               | R9,000     | R9,000                 |

| NUMBER OF PEOPLE TRAINED |           |
|--------------------------|-----------|
| 2007/2008                | 2008/2009 |
| 59                       | 350       |

#### REMEDIES TO IMPROVE MUNICIPAL PERFORMANCE

Despite the fact that the spending on the capital budget and projects have increased by 22%, year-on-year, the streamlining of procurement processes have been identified as a remedy to improve municipal performance on project expenditure.

#### OTHER COMMENTS ON PERFORMANCE MANAGEMENT:

An electronic performance management system was procured and implemented during the year. The optimization of the system will improve performance management and reporting in the municipality to ensure an efficient and effective performance management system.

#### INFORMAL HOUSEHOLDS

- NB:
- 1) Water is provided free in all informal households through 200m radius standpipes (16 038 households).
  - 2) Solid waste removal is rendered free to informal households through communal dumping skips (16 038 households).
  - 3) Public lightening is provided free through high mast lights (16 038 households).
  - 4) Households sanitation and electricity will be provided once 27 326 informal households have been relocated to formalized areas.



# Chapter 3

## HUMAN RESOURCE AND OTHER ORGANISATION MANAGEMENT



Merafong City  
Annual Report 2008/2009



# HUMAN RESOURCES AND OTHER ORGANISATIONAL MANAGEMENT

The section forms part of the Chief Operating Officer and provide professional support service that is well-aligned to the Integrated Development Plan (IDP) as well as to the needs of the municipality's stakeholders and customers.

The main objectives include:

- Development and implementation of an Integrated Human Resources Strategy
- Design and implementation of an organizational structure aligned to the municipality's IDP
- Formulation and implementation of human resources programmes that are consistent with the IDP
- Training and development of employees and councillors
- Implementation of the HIV/AIDS in the workplace strategy and employee wellness programmes
- Motivation of employees and implementation of change management programmes
- Development and implementation of retention and talent management strategies
- Maintenance of a labour relations environment that is conducive to promotion of organizational stability and harmony
- Facilitation of an employer – employee relationship to resolve disputes and to create a culture of healthy interactions and tolerance
- Provision of management support and leadership on pertinent issues; and
- Implementation of the Task Job Evaluation System.

The organizational structure was subject of a review process, based on the annual IDP. The new structure will streamline activities and align them with the new focus area of the municipality brought about by the new powers and functions derived from the Section 12 notice promulgated by the MEC for the Developmental Local Government and Housing of the North West, in terms of the Municipal Structures Act.

The following municipal functions were relocated to other spheres of government.

- Primary Health Care became a North West Developmental Local Government and Housing competency
- Municipal Health became a Southern District Municipal competency
- Emergency Management Services (EMS) became a North West Developmental of Health competency
- A service level agreement was entered with Dr Kenneth Kaunda District Municipality on the rendering of Fire fighting services by Merafong City.

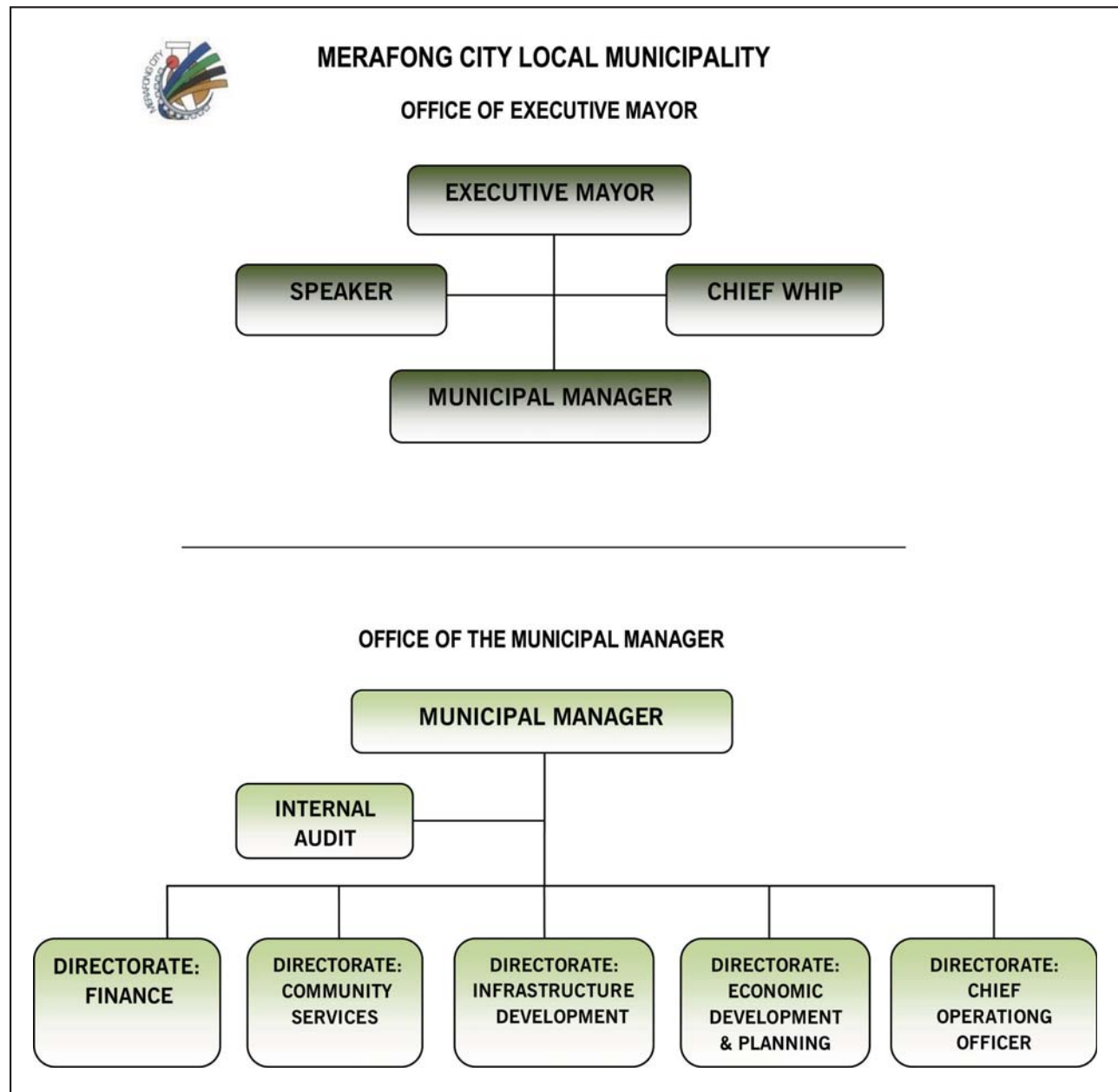
## ORGANISATIONAL STRUCTURE

The municipality's organizational structure consists of two major sections. One section accommodates the political component which is linked to the administrative component. The Executive Mayor is the elected political leader and operates within a framework of legislative guidelines and functions delegated by the Municipal Council. The Municipal Manager derives authority out of legislative requirements, delegations and is the accounting officer of the municipality.

The political section provides direction on policies and the powers and functions as determined by the constitution and promulgated in the establishment notices of the municipality. The broader goals and objectives are therefore captured in the organizational design in order to implement and give effect to the organizational objectives in executing the powers and functions entrusted with it.

The high level or macro design of the organization was derived at after thorough analyses on extensive workshops by using scientific technical supported methodology and models. Following the municipal election, strategic workshops were conducted, in order to align the structure with new mandates and policy directions emanating from the new elected leadership.

The top structure of the municipality manifested as follows:



## SECTIONAL PROGRAMMES

### Employment Equity

An Employment Equity Manager was appointed in terms of Section 24 of the Employment Equity Act. This manager oversees the unfolding of the municipality's employment equity programme. Employment Equity consists out of an Employment Equity Plan – containing employment equity targets and annual statistical returns.

The Employment Equity Manager is supported by the Employment Equity Consultative Forum. This manager is also involved in the recruitment processes of the municipality. This involvement starts with the short listing process and ends in the interview and appointment processes.

### Capacity building

The annually prepared Workplace Skills Development Plan (WSP) and Annual Training Report guide the training activities of the municipality.

Training needs were identified and training was addressed by the Skills Development office, which arranged appropriate training courses. The office is also assisted by the Technical Training Committee which convenes monthly and represents sectional needs in all meetings. The process was supported by personal career planning of both Councillors and officials. A bursary policy and grants was commissioned to stimulate individual learning at accredited institutions.

The training budget for the period was R1,000,000 of which R277,000 was claimed back from LGSETA.

### Policy development

Policy development and review was an ongoing process. Statutory policies as well as other human resource related policies are continuously developed and existing policies reviewed.

The following policies were reviewed or developed during the period under review:

Table 3.1

| TYPE |    | POLICY TITLE                         | Available at municipality | TYPE |    | POLICY TITLE                   | Available at municipality |
|------|----|--------------------------------------|---------------------------|------|----|--------------------------------|---------------------------|
| 1    | HR | Approval of Organizational Structure | ✓                         | 12   | HR | Temporary Workers Policy       | ✓                         |
| 2    | HR | Recruitment & Selection              | ✓                         | 13   | HR | Internship Policy/Learnership  | ✓                         |
| 3    | HR | Appointment Policy                   | ✓                         | 14   | HR | Bursary Policy                 | ✓                         |
| 4    | HR | Placement Policy                     | ✓                         | 15   | HR | HIV/AIDS Policy                | ✓                         |
| 5    | HR | Remuneration Policy                  | ✓                         | 16   | HR | Subsistence & Traveling Policy | ✓                         |
| 6    | HR | Retrenchment Policy                  | ✓                         | 17   | HR | Secondment Policy              | ✓                         |
| 7    | HR | Performance Management Policy        | ✓                         | 18   | HR | Code of Ethics Policy          | ✓                         |
| 8    | HR | Condition of Service Policy          | ✓                         | 19   | HR | Bereavement Policy             | ✓                         |
| 9    | HR | Grievance Procedure Policy           | ✓                         | 20   | HR | Abscondment Policy             | ✓                         |
| 10   | HR | Disciplinary Procedure Policy        | ✓                         | 21   | HR | EAP Policy                     | ✓                         |
| 11   | HR | Induction & Orientation Policy       | ✓                         |      |    |                                |                           |

## Performance, Transformation and Institutional Development

This part covers municipal performance and governance, municipal transformation and institutional development.

Merafong City Local Municipality developed a “From turn around to consolidation” strategy. The implementation of the objectives and goals of this strategy contain specific goals and objectives. These objectives are measured and progress reported on a monthly and quarterly basis. Strategy’s objectives are in line with the organizational objectives and aligned with Individual Performance Contracts of senior employees. A situation of “what gets measured, get done” was implemented and maintained.

The process is therefore aligned through the following steps:

- Organizational objectives as included in the IDP – Organizational Performance Management
- Individual Performance Management Agreements aligned with the organizational objectives – coupled on a reward system
- Job descriptions include the objectives as derived through the above processes

A performance appraisal system coupled on a reward system for all other employees is outstanding and will be developed and implemented.

Organizational transformation was achieved through strategically workshops that evaluated and analyzed practiced strategies, functions and procedures. The new powers and functions as promulgated – impacted by political directions – were included in the new organizational design and IDP processes.

The employment equity profile also transformed as indicated in the table below. A course for concern was the equity distribution of the top management structure. This distribution will be a focus area in future employment equity targets.

### Total staff complements

This part provides information on the total number of staff and their breakdown per key functions.

The adjusted municipal staff structure was changed as indicated in the table below. The table indicates the distribution between functional departments within the municipality. The column under the heading “new” indicate the total complement on the 2008/2009 structure and “old” the original approved structure that was applicable during the previous year. This structure will be reviewed for the next five year cycle.

### Professional Skills & Population of the Organizational Structure

The table underneath indicate the population of the top portion of organizational structure as on 30 June 2009. It also provides information on the broader educational levels of the first seven remuneration levels. Skills audits are conducted on an annual basis. The employment equity profile also transformed as indicated in the table below.

Table 3.2 Assessment of staffing capacity

| Level                           | Total Posts approved |              |                | Total filled posts | Total vacant posts | Tertiary qualification > NQL 5 | Grade 12 NQL4 | Below Gr 12 < NQL4 Artisan |
|---------------------------------|----------------------|--------------|----------------|--------------------|--------------------|--------------------------------|---------------|----------------------------|
|                                 | Total                | Funded posts | Unfunded posts |                    |                    |                                |               |                            |
| Total Sec 57                    | 6                    | 6            | 0              | 6                  |                    | 5                              | 1             |                            |
| Total Managers                  | 25                   | 25           |                | 25                 |                    | 25                             |               |                            |
| Total Top Management & Sec 57's | 32                   | 32           | 3%             | 31                 | 1                  | 31                             |               |                            |
| Total Level 4                   | 36                   | 25           | 11             | 25                 | 11                 | 25                             |               |                            |
| Total Level 5                   | 40                   | 36           | 4              | 36                 | 4                  | 30                             | 6             |                            |
| Total Level 6                   | 38                   | 22           | 16             | 22                 | 13                 | 11                             | 1             | 10                         |
| Total Level 7                   | 74                   | 36           | 38             | 32                 | 41                 | 8                              | 7             | 17                         |



The organizational design focused on a planning cycle of five years. Because of the implementing of the envisaged service delivery programmes and budget constrains the structure will only be fully populated if all the functions are performed and the operational income of the municipality increase accordingly.

*Table 3.3 Educational Qualifications of Top Management*

| Name of Manager      | Designation   | Qualification   | Management Experience   |
|----------------------|---|---|---|
| Mr. J.M. Rabodila    | Municipal Manager                                   | - Senior Certificate<br>- BA Law & MBA  | Private sector: 3 years<br>Government: 8 years<br>Local Government: 3 years |
| Mr. E.M. Leseane     | Chief Operating Officer                             | - Senior Certificate<br>- Bachelor of Arts<br>- Postgraduate Diploma in Management  | Government: 13 years<br>Local Government: 2 year                            |
| Mr. M.G. Wienekus    | Chief Financial Officer                             | - Senior Certificate  | Local Government: 16 years<br>Banking: 10 years                             |
| Mr. C.W.A. Nieuwoudt | Executive Director: Economic Development & Planning | - Senior Certificate<br>- National Diploma in Public Health<br>- B. Admin   | Local Government: 27 years  |
| Mr. L.C. Spies       | Executive Director: Infrastructure Development      | - Senior Certificate<br>- National Diploma Electrical Engineering with GCC Electrical Engineer<br>- Professional Registration Engineering Council of South Africa | Local Government: 30 years  |
| Ms. N.E. Mokgethi    | Executive Director: Community Services              | - Senior Certificate<br>- Diploma Nursing Science<br>- BA Nursing Science<br>- Masters of Arts in Nursing Science   | Local Government: 18 years  |

It is eminent that the remuneration packages of the municipal manager, managers reporting to him and that of bargaining council managers needs to be reviewed in order to close the disparities and retain the competent staff.

The municipality also finds it extremely hard to obtain and retain artisans in mainly the electrical and plumbing professions. It is clear that the Bargaining Council salary scale system do not provide for enough leverage to be competitive in recruiting and retaining artisans. Private companies operating in the area are paying up to R20,000 bonuses to successful applicants upon taking up employment. An intensive training programme for these scarce skills is in place an allocation has been received from LGSETA to implement learner ship programmes to address to scarce skills identified. These learner ship programmes have been included in the IDP 2009/2010 implemented with effective date been 1 January 2010.

*Table 3.4 Summary: Employee qualification profile data as at 30 June 2009*

|  |        |
|--|--------|
| Total number of employees with an NQF Level 1 and below  | 282    |
| Employees with an NQF Level 1 and below as a % of total employees  | 20.80% |
| Total number of employees with an NQF Level 2, 3 and 4   | 455    |
| Employees with an NQF Level 2, 3 and 4 as a % of total employees   | 33.55% |
| Total number of employees with an NQF Level 5 and above  | 384    |
| Employees with an NQF Level 5 and above as a % of total employees  | 28.32% |
| Total employees in SOC 100 and 200 with an NQF Level 6 and above   | 40     |
| Employees in SOC 100 and 200 with an NQF Level 6 and above as a % of total employees in those categories | 45.98% |
| Total employees in SOC 300 with an NQF Level 5 and above   | 35     |
| Employees in SOC 300 with an NQF Level 5 and above as a % of total employees in those categories         | 100%   |

## Pension funds and Medical aids

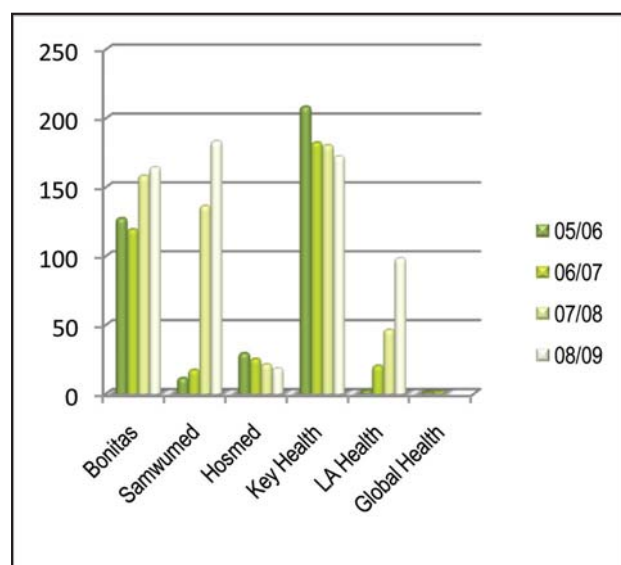
This section contains available information on the following:-

- a) Medical aid funds
- b) The number, name and any financial information on pension
- c) Including an assessment of future risks or liabilities with regard to these funds.

Table 3.5 Medical Aids

| MEDICAL AIDS        |               |               |                                |               |                       |               |               |               |               |
|---------------------|---------------|---------------|--------------------------------|---------------|-----------------------|---------------|---------------|---------------|---------------|
| PERSONNEL (Members) |               |               |                                |               | COUNCILLORS (Members) |               |               |               |               |
| Medical Fund        | 2005/<br>2006 | 2006/<br>2007 | 2007/<br>2008                  | 2008/<br>2009 | Medical Fund          | 2005/<br>2006 | 2006/<br>2007 | 2007/<br>2008 | 2008/<br>2009 |
| Bonitas             | 127           | 119           | 158                            | 164           | Bonitas               | -             | 17            | 16            | 14            |
| Samwumed            | 11            | 17            | 136                            | 183           | Samwumed              | -             | 0             | 1             | 4             |
| Hosmed              | 29            | 25            | 21                             | 18            | Hosmed                | -             | 1             | 1             | 1             |
| Key Health          | 208           | 182           | 180                            | 172           | Key Health            | -             | 4             | 3             | 2             |
| LA Health           | 2             | 20            | 46                             | 98            | LA Health             | -             | 2             | 4             | 4             |
| Global Health       | 1             | 1             | Amalgamated<br>with Key Health | -             |                       | -             | -             | -             | -             |
| <b>TOTAL</b>        | <b>378</b>    | <b>364</b>    | <b>541</b>                     | <b>635</b>    |                       | <b>0</b>      | <b>24</b>     | <b>25</b>     | <b>25</b>     |

PERSONNEL



COUNCILLORS

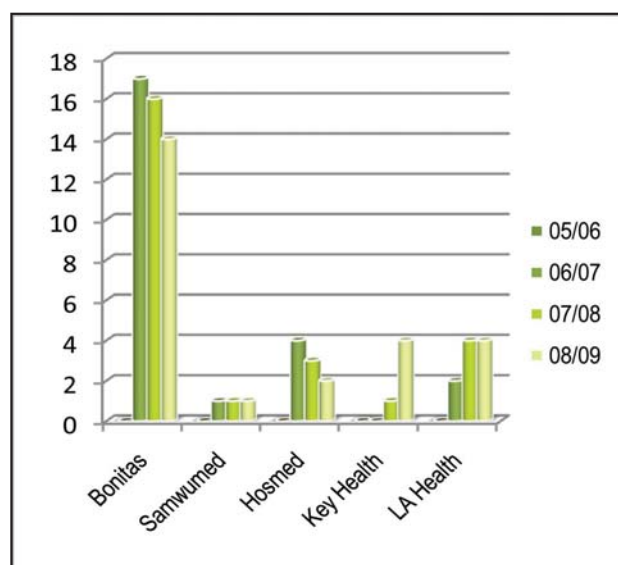


Table 3.6 Pension Funds

| PENSION FUNDS                       |            |            |            |             |
|-------------------------------------|------------|------------|------------|-------------|
| Members                             |            |            |            |             |
| Pension Fund                        | 2005/2006  | 2006/2007  | 2007/2008  | 2008/2009   |
| SALA                                | 72         | 65         | 61         | 51          |
| National Fund for Municipal Workers | 229        | 257        | 315        | 367         |
| Municipal Gratuity Fund             | 346        | 345        | 356        | 394         |
| Municipal Employees Pension Fund    | 158        | 145        | 133        | 128         |
| SAMWU National Provident Fund       | 72         | 71         | 69         | 66          |
| Joint Municipal Pension Fund        | 8          | 8          | 8          | 7           |
| Municipal Cllr Pension Fund         | 50         | 50         | 50         | 50          |
| <b>TOTAL</b>                        | <b>935</b> | <b>941</b> | <b>992</b> | <b>1063</b> |

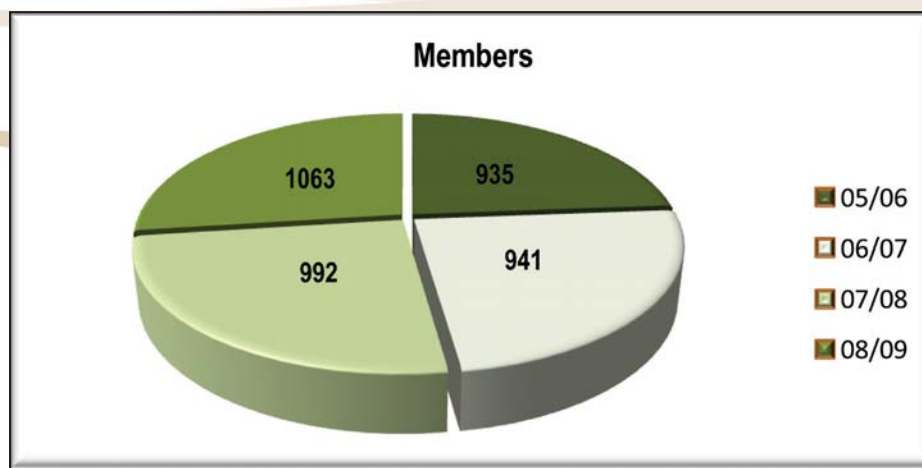


Table 3.7 Personnel expenditure

The table underneath indicates trends on total personnel expenditure over the last three years. It includes the trends on the total share of personnel expenditure compared to the total budget of the municipality.

| Year      | Total Personnel Expenditure | Total Operational Expenditure | % of operational budget | % increase over previous year |
|-----------|-----------------------------|-------------------------------|-------------------------|-------------------------------|
| 2005/2006 | R 107 240 223               | R 320 753 510                 | 33.43%                  | -                             |
| 2006/2007 | R 123 772 001               | R 374 457 831                 | 33.05%                  | 15.42%                        |
| 2007/2008 | R 152 761 047               | R 487 072 542                 | 31.36%                  | 23.42%                        |
| 2008/2009 | R 171 229 952               | R 567 767 321                 | 30.16%                  | 12.09%                        |

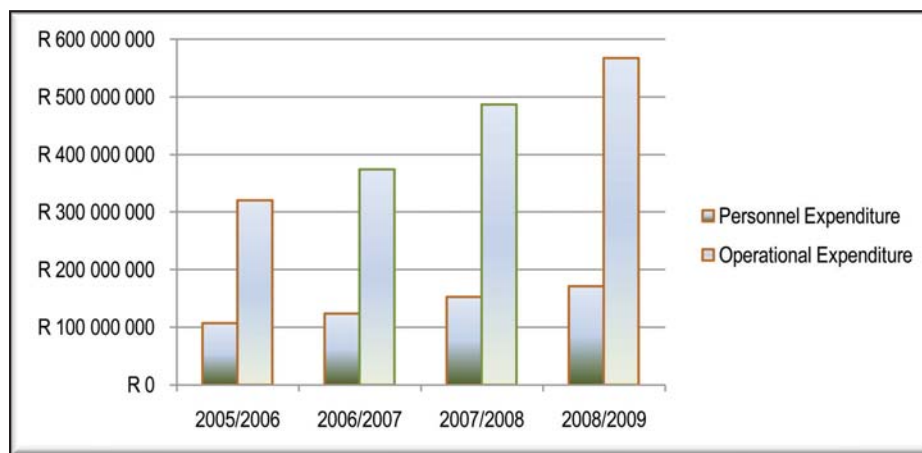


Table 3.8 Employment Equity

| Occupational Categories                    | African    |            | Coloured |          | Indian   |          | White     |           | Foreign Nationals |          |
|--|------------|------------|----------|----------|----------|----------|-----------|-----------|-------------------|----------|
|  | M          | F          | M        | F        | M        | F        | M         | F         | M                 | F        |
| Legislators, senior officials and managers | 13         | 3          | -        | -        | 1        | -        | 14        | 1         | -                 | -        |
| Professionals                              | -          | -          | -        | -        | -        | -        | -         | -         | -                 | -        |
| Technicians and associate professionals    | 22         | 21         | 1        | -        | -        | -        | 27        | 7         | -                 | -        |
| Clerks                                     | 40         | 66         | 1        | 2        | -        | -        | 4         | 36        | -                 | -        |
| Service and sales workers                  | 96         | 81         | 2        | 1        | -        | 1        | 12        | 33        | -                 | -        |
| Skilled agricultural and fishery workers   | -          | -          | -        | -        | -        | -        | -         | -         | -                 | -        |
| Craft and related trades workers           | 45         | -          | -        | -        | -        | -        | 22        | -         | -                 | -        |
| Plant and machine operators and assemblers | -          | -          | -        | -        | -        | -        | -         | -         | -                 | -        |
| Elementary occupations                     | 397        | 60         | 3        | 2        | -        | -        | 1         | 2         | -                 | -        |
| <b>Total Permanent</b>                     | <b>613</b> | <b>231</b> | <b>7</b> | <b>5</b> | <b>1</b> | <b>1</b> | <b>80</b> | <b>79</b> | <b>-</b>          | <b>-</b> |
| Non-permanent employees                    | 94         | 24         | 1        | -        | -        | -        | -         | -         | -                 | -        |
| <b>Grand total</b>                         | <b>707</b> | <b>255</b> | <b>8</b> | <b>5</b> | <b>1</b> | <b>1</b> | <b>80</b> | <b>79</b> | <b>-</b>          | <b>-</b> |

Table 3.9 Disclosure concerning Executive Councillors: 2008/2009

| Councillor                                 | Salaries & Wages |              | Contributions  |                |       | Allowances         |               |             | Housing benefit & allow | Loans & Advances | Other benefits & allow | Arrears owed to municipality (R) |
|--|------------------|--------------|----------------|----------------|-------|--------------------|---------------|-------------|-------------------------|------------------|------------------------|----------------------------------|
|  | Normal (R)       | Overtime (R) | Pension        | Medical Aid    | Other | Travel & motor car | Accommodation | Subsistence |                         |                  |                        |                                  |
| Mayor                                      | 363,903          | -            | 116,131        | -              | -     | 121,300            | -             | -           | -                       | -                | 28,836                 | -                                |
| Speaker                                    | 291,122          | -            | 53,649         | 40,548         | -     | 97,040             | -             | -           | -                       | -                | -                      | -                                |
| Chief Whip                                 | 272,927          | -            | 52,686         | 29,880         | -     | 90,975             | -             | -           | -                       | -                | -                      | -                                |
| Portfolio Head: Finance                    | 272,927          | -            | 50,297         | 25,056         | -     | 90,975             | -             | -           | -                       | -                | 14,400                 | -                                |
| Portfolio Head: Corporate Support Services | 272,927          | -            | 50,297         | 30,984         | -     | 90,975             | -             | -           | -                       | -                | 14,400                 | -                                |
| Portfolio Head: Public Safety              | 272,927          | -            | 15,147         | 29,676         | -     | 90,975             | -             | -           | -                       | -                | 14,400                 | -                                |
| Portfolio Head: LED & Tourism              | 272,927          | -            | 50,297         | 20,436         | -     | 90,975             | -             | -           | -                       | -                | 14,400                 | -                                |
| Portfolio Head: Housing & Transport        | 272,927          | -            | 50,297         | 38,736         | -     | 90,975             | -             | -           | -                       | -                | 14,400                 | -                                |
| Portfolio Head: Health & Environment       | 272,927          | -            | 50,297         | 20,436         | -     | 90,975             | -             | -           | -                       | -                | 14,400                 | -                                |
| Portfolio Head: SRACH & LIS                | 272,927          | -            | 50,297         | 16,224         | -     | 90,975             | -             | -           | -                       | -                | 14,400                 | -                                |
| Portfolio Head: Water, Electricity & Gas   | 272,927          | -            | 50,297         | 22,884         | -     | 90,975             | -             | -           | -                       | -                | 14,400                 | -                                |
| <b>TOTAL</b>                               | <b>3,111,368</b> |              | <b>554,542</b> | <b>274,860</b> |       | <b>1,128,090</b>   |               |             |                         |                  | <b>172,836</b>         |                                  |



Table 3.10 Disclosure concerning Directors and Senior Officials: 2008/2009

| Director/Senior Official                            | Salaries & Wages |              | Contributions |             |             | Allowances         |          | Housing benefit & allow | Entertainment/ Tool allowance | Other benefits & allow | Arrears owed to municipality | Incentive |
|---|------------------|--------------|---------------|-------------|-------------|--------------------|----------|-------------------------|-------------------------------|------------------------|------------------------------|-----------|
|   | Normal (R)       | Overtime (R) | Pension       | Medical Aid | Other (UIF) | Travel & motor car | 2% Group |                         |                               |                        |                              |           |
| Municipal Manager                                   | 506,962          | 0            | 111,532       | 30,959      | 1,497       | 134,763            | 10,139   | 41                      | 53,760                        | 0                      | 0                            | 93,462    |
| Executive Director: Infrastructure Development      | 475,163          | 0            | 104,536       | 0           | 1,497       | 119,806            | 9,503    | 41                      | 0                             | 0                      | 0                            | 87,042    |
| Executive Director: Economic Development & Planning | 442,310          | 0            | 97,308        | 30,887      | 1,497       | 116,313            | 8,846    | 41                      | 0                             | Bonus 13,344           | 0                            | 88,818    |
| Executive Director: Community Services              | 443,766          | 0            | 97,629        | 17,806      | 1,497       | 84,174             | 8,875    | 41                      | 56,757                        | 0                      | 0                            | 59,462    |
| Chief Finance Officer                               | 454,465          | 0            | 94,438        | 27,854      | 1,497       | 119,282            | 0        | 41                      | 0                             | Bonus 12,968           | 0                            | 92,371    |
| Chief Operations Officer                            | 469,559          | 0            | 103,083       | 29,736      | 1,497       | 86,940             | 9,371    | 41                      | 11,319                        | 0                      | 0                            | 59,462    |
| Manager: Electrical Engineering                     | 302,999          | 0            | 454,450       | 23,242      | 1,497       | 71,924             | 6,060    | 41                      | 0                             | Entertain 2,499        | 0                            | 54,445    |
| Manager: Civil Engineering                          | 300,289          | 0            | 54,052        | 14,918      | 1,497       | 71,922             | 6,006    | 41                      | 0                             | 0                      | 0                            | 54,445    |
| Manager: Information Technology                     | 364,294          | 0            | 0             | 30,959      | 1,497       | 39,831             | 7,286    | 41                      | 9,800                         | 0                      | 0                            | 43,556    |
| Manager: PMU  | 263,190          | 0            | 57,902        | 23,219      | 1,123       | 97,574             | 5,263    | 31                      | 9,000                         | 0                      | 0                            | 0         |
| Manager: Town Planning                              | 396,576          | 0            | 0             | 24,822      | 1,497       | 60,952             | 7,932    | 41                      | 0                             | 0                      | 0                            | 59,018    |
| Manager: Housing Administration                     | 301,830          | 0            | 54,329        | 0           | 1,497       | 73,483             | 6,037    | 41                      | 16,491                        | 0                      | 0                            | 54,445    |
| Manager: LED & Tourism                              | 337,976          | 0            | 74,355        | 30,959      | 1,497       | 85,392             | 6,759    | 41                      | 16,900                        | 0                      | 0                            | 53,172    |
| Development Advisor                                 | 358,190          | 0            | 78,802        | 23,219      | 1,123       | 70,638             | 7,164    | 31                      | 0                             | 0                      | 0                            | 0         |
| Manager: SRACH & LIS                                | 289,496          | 0            | 0             | 26,014      | 1,497       | 108,629            | 0        | 41                      | 66,142                        | 0                      | 0                            | 59,018    |

| Director/Senior Official            | Salaries & Wages |              | Contributions    |                |               | Allowances         |                |              | Housing benefit & allow | Entertainment/ Tool allowance | Other benefits & allow      | Arrears owed to municipality | Incentive        |
|-------------------------------------|------------------|--------------|------------------|----------------|---------------|--------------------|----------------|--------------|-------------------------|-------------------------------|-----------------------------|------------------------------|------------------|
|                                     | Normal (R)       | Overtime (R) | Pension          | Medical Aid    | Other (UIF)   | Travel & motor car | 2% Group       | SALGBC       |                         |                               |                             |                              |                  |
| Manager: Public Safety & Security   | 398,892          | 0            | 87,756           | 12,960         | 1,497         | 120,959            | 7,978          | 41           | 1,362                   | 0                             | 0                           | 0                            | 75,774           |
| Manager: Human Resources            | 297,508          | 0            | 61,822           | 23,024         | 1,497         | 56,676             | 0              | 83           | 10,599                  | Acting 256,838                | 2,500 Entertain             | 0                            | 83,489           |
| Manager: Income                     | 291,415          | 0            | 0                | 0              | 1,497         | 105,752            | 0              | 41           | 55,003                  | 0                             | 0                           | 0                            | 54,445           |
| Manager: Expenditure                | 286,717          | 0            | 63,078           | 12,262         | 1,497         | 90,113             | 0              | 41           | 0                       | 0                             | 0                           | 0                            | 43,556           |
| Manager: Supply Chain Management    | 338,358          | 0            | 0                | 19,411         | 1,497         | 73,895             | 0              | 41           | 20,505                  | 0                             | 0                           | 0                            | 0                |
| Manager: Credit Control             | 296,029          | 0            | 65,126           | 0              | 1,497         | 79,222             | 5,921          | 41           | 5,448                   | 0                             | 0                           | 0                            | 43,556           |
| Manager: Political Support          | 290,180          | 0            | 63,840           | 0              | 1,497         | 86,474             | 5,804          | 41           | 5,448                   | 0                             | 0                           | 0                            | 54,445           |
| Manager: Employment Equity          | 312,223          | 0            | 68,689           | 24,026         | 1,497         | 120,870            | 6,245          | 41           | 8,652                   | 0                             | Rent sub 1,610              | 0                            | 26,019           |
| Manager: Waste Management           | 263,311          | 0            | 57,928           | 15,631         | 1,497         | 87,057             | 0              | 41           | 0                       | 0                             | 0                           | 0                            | 21,943           |
| Manager: Water and Sanitation       | 312,223          | 0            | 68,689           | 24,882         | 1,497         | 104,499            | 6,244          | 41           | 8,652                   | 0                             | 0                           | 0                            | 26,019           |
| Manager: IDP/ PMS                   | 251,639          | 0            | 55,361           | 30,959         | 1,497         | 77,844             | 5,033          | 83           | 8,652                   | 0                             | Rent sub 1,298 Bonus 20,970 | 0                            | 0                |
| Manager: Corporate Secretariat      | 175,541          | 0            | 38,619           | 0              | 998           | 65,069             | 3,511          | 28           | 0                       | 0                             | 0                           | 0                            | 0                |
| Acting Manager: Industrial Relation | 202,320          | 0            | 44,510           | 30,959         | 1,497         | 93,758             | 0              | 41           | 8,652                   | 0                             | 0                           | 0                            | 16,860           |
| Acting Manager: Speaker's Office    | 183,204          | 0            | 40,305           | 28,886         | 1,497         | 36,237             | 3,664          | 41           | 8,652                   | 0                             | Acting 89,021 Bonus 15,267  | 0                            | 0                |
| Acting Manager: Human Resources     | 183,204          | 0            | 40,305           | 25,970         | 1,497         | 83,375             | 3,664          | 41           | 8,652                   | 0                             | Acting 89,021               | 0                            | 54,445           |
| <b>TOTAL</b>                        | <b>9,740,276</b> | <b>0</b>     | <b>2,127,684</b> | <b>574,313</b> | <b>43,663</b> | <b>2,643,999</b>   | <b>141,062</b> | <b>1,288</b> | <b>375,170</b>          | <b>256,838</b>                | <b>159,477</b>              | <b>0</b>                     | <b>1,316,418</b> |

Table 3.11 Arrears owed to Municipality by Councillors and Officials

| Name            | Councillor / Official | Amount owed (R)<br>2007/2008 | Amount owed (R)<br>2008/2009 |
|-----------------|-----------------------|------------------------------|------------------------------|
| ZF Mxabano (*1) | Councillor            | 23,627.17                    | 1,560.21                     |
| T Mokapela (*2) | Councillor            | 6,160.04                     | 8,450.02                     |
| C Dyonase       | Councillor            | 13,451.87                    | 2,281.15                     |
| M Bonyo         | Official              | 11,923.53                    | 3,128.16                     |
| TP Gaja         | Official              | 7,626.71                     | 336.33                       |
| SJ Kotsi        | Official              | 16,370.41                    | 11,012.79                    |
| RM Matha        | Official              | 275.89                       | 217.39                       |
| SJ Matlala      | Official              | 414.32                       | 203.99                       |
| W Modiba (Ms)   | Official              | 10,217.02                    | 4,344.63                     |
| MM Mogalagadi   | Official              | 1,057.65                     | 591.33                       |
| NJ Montsho      | Official              | 2,745.42                     | 285.68                       |
| MM Moreki       | Official              | 298.46                       | 278.19                       |
| BU Ndimma       | Official              | 4,375.21                     | 3,423.76                     |
| MP Ndzilane     | Official              | 2,302.02                     | 0                            |
| LA Ngxabani     | Official              | 1,224.66                     | 364.52                       |
| CM Nofemele     | Official              | 6,615.47                     | 227.03                       |
| RP Pipadibe     | Official              | 799.27                       | 163.26                       |
| ND & ML Selani  | Official              | 7,873.65                     | 326.43                       |
| BP Sithole      | Official              | 2,176.89                     | 757.29                       |
| JP Solane       | Official              | 814.75                       | 268.00                       |
| MJ Songela      | Official              | 1,569.33                     | 847.54                       |
| MB Swart (Ms)   | Official              | 6,636.42                     | 6,034.99                     |
| ES Tenge        | Official              | 5,558.91                     | 163.03                       |
| M Shai          | Official              | 4,739.80                     | 467.62                       |
| SB Tsotsi       | Official              | 1,064.30                     | 783.70                       |
| <b>TOTAL</b>    |                       | <b>R139,919.17</b>           | <b>R46,517.04</b>            |

(\*1) Cllr Z F Mxabano passed away on 29 December 2008

(\*2) Cllr T Mokapela passed away on 27 January 2009

